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April 16, 2002 LB 1063, 1095, 1149

CLERK: Mr. President, LB 1149, a bill by Senator Jensen. (Read title.) The bill was introduced on January 17 of this year, referred to the Revenue Committee. The bill was advanced to General File. I do have committee amendments.

SPEAKER KRISTENSEN: Senator Jensen, you're recognized to open.

SENATOR JENSEN: Thank you, Mr. Speaker, members of the Legislature. LB 1149 has, at this point in time, everything on LB 1095 within the bill, and I will talk a little bit about LB 1095. But first, LB 1149 was the bill to increase cigarette taxes by 50 cents. It went into the Revenue Committee. The Revenue Committee then took everything out of that and put it into the revenue bill, and so LB 1149 became a shell bill, however, with priority status, and so we...the Revenue Committee did put LB 1095 into LB 1149 and passed it out onto the floor so it still has priority status. I'll mention right now that after some remarks, I will ask the Speaker to pull this bill. But I want to talk a little bit about LB 1095 and what it did, and what it represents, and even expand a little beyond that into Medicaid in general. We refer in LB 1095 to the Kids Connections. In 1997, the Balanced Budget Act established state comprehensive insurance programs, or, excuse me, not comprehensive...children health insurance programs for states, and it was done, like I said, with the Balanced Budget Act from 1995. Nebraska followed up with its bill, LB 1063, which took and established the Kids Connection as referred to here in Nebraska; every state has a different name for it. We took \$25 million of federal money. We took \$5 million a year for five years of intergovernmental transfer dollars to set up Kids Connection and to fund that, and, by the way, we have funding to 2002-2003. After that, there is no funding, and that will be part of our General Fund process that we are going to have to go through to process this funding. We also don't know for sure whether the federal government will fund its portion of this which is \$25 million. There was a report in the paper a couple of months ago that they might make a 20 percent reduction in that. We all know that once you give something to someone, to take it back is a tough task to do. But I can recall Senator Wesely was Chairman of Health and Human Services Committee when LB 1063 was brought in, and we took the figure of 185 percent